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Northwest Territories Liquor Commission

48th Annual Report

Northwest Territories Liquor Commission

48th Annual Report

Northwest Territories Liquor Commission

MEMBERS OF THE LEGISLATIVE ASSEMBLY

NWT Liquor Commission Annual Report

I am pleased to present herewith, for the information of the Members of the Legislative Assembly, the forty-eighth Annual Report of the Northwest Territories Liquor Commission and Liquor Licensing Board for the fiscal year ended March 31, 2002.

Joseph L. Handley
Minister Responsible for the
NWT Liquor Commission

THE HONOURABLE JOSEPH L. HANDLEY
MINISTER OF FINANCE

NWT Liquor Commission Annual Report

Pursuant to *Sections 9(1) and 61* of the *Liquor Act*, we are pleased to submit the forty-eighth Annual Report for the fiscal year ended March 31, 2002.

We wish to express our thanks to all our staff and the members of the Liquor Licensing Board for all their support and contribution to the progress of the NWT Liquor Commission and the NWT Liquor Licensing Board during the past year.

Margaret Melhorn
Deputy Minister
Finance

RJ Courtoreille
General Manager
NWT Liquor Commission

Eric Malmsten
Chairperson
NWT Liquor Licensing Board

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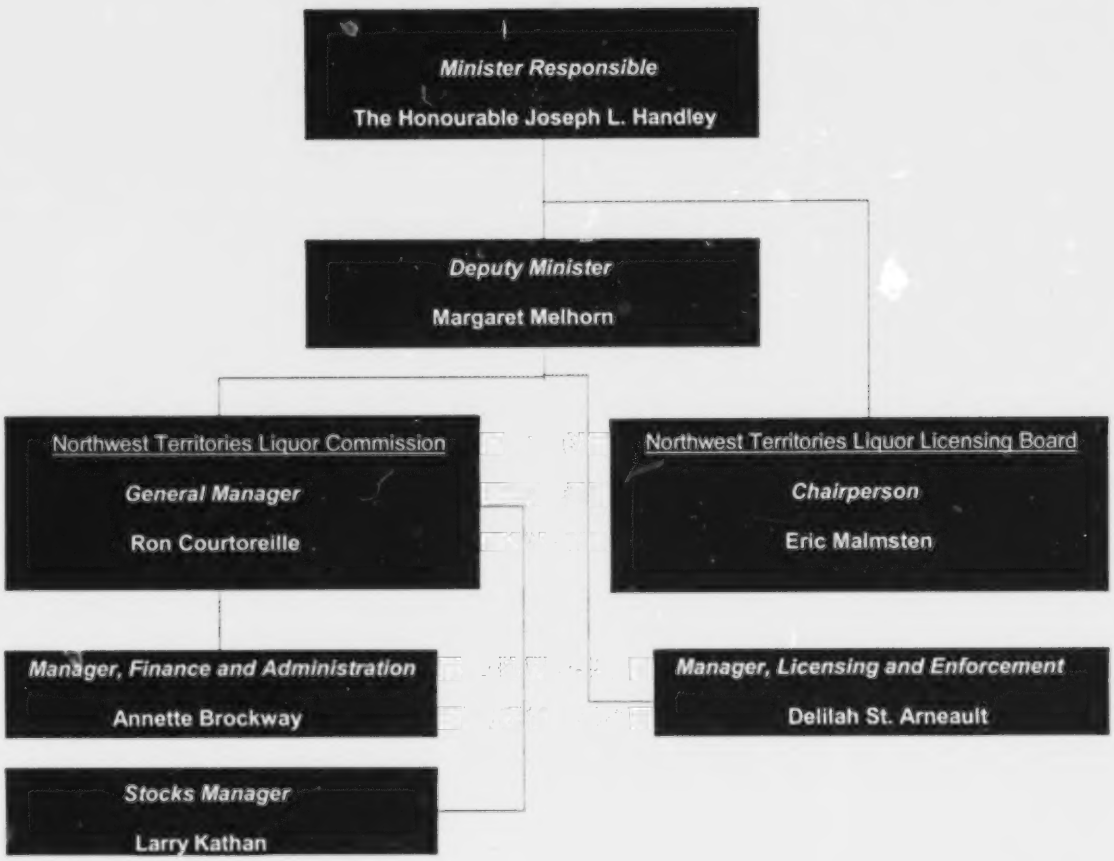
EXECUTIVE ORGANIZATION



Audited Financial Statements

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The Northwest Territories Liquor Commission ("the Commission") maintains internal financial and management systems and practices which are designed to provide reasonable assurance that reliable financial and non-financial information is available on a timely basis and that the Commission acts in accordance with the laws of the Northwest Territories and Canada. The Commission's management recognizes its responsibility for conducting the Commission's affairs in accordance with the requirements of applicable laws and sound business principles, and for maintaining standards of conduct that are appropriate to a Territorial agency.

The accompanying financial statements were prepared by management in conformity with Canadian generally accepted accounting principles appropriate in the circumstances.

The Auditor General of Canada annually provides an independent, objective audit for the purpose of expressing an opinion on the financial statements. She also considers whether the transactions which come to her notice in the course of this audit are, in all significant respects, in accordance with the specified legislation.

R.J. Courtoreille
General Manager

May 15, 2002

AUDITOR GENERAL OF CANADA

VÉRIFICATEUR GÉNÉRAL DU CANADA

AUDITOR'S REPORT

To the Minister of Finance

I have audited the balance sheet of the Northwest Territories Liquor Commission as at March 31, 2002 and the statements of income, amount due to the Government of the Northwest Territories and cash flows for the year then ended. These financial statements are the responsibility of the Commission's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Commission as at March 31, 2002 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the *Financial Administration Act*, I report that, in my opinion, these principles have been applied on a basis consistent with that of the preceding year.

Further, in my opinion, proper books of account have been kept by the Commission and the financial statements are in agreement therewith and the transactions of the Commission that have come to my notice during my audit of the financial statements have, in all significant respects, been in accordance with Part IX of the *Financial Administration Act* and regulations, and the *Liquor Act* and regulations.

Ronald C. Thompson, CA
Assistant Auditor General
for the Auditor General of Canada

Ottawa, Canada
May 15, 2002

NORTHWEST TERRITORIES LIQUOR COMMISSION

Balance Sheet

March 31, 2002, with comparative figures for 2001

	2002 ($000's)	2001 ($000's)
Assets		
Current assets:		
Cash	$ 2,366	$ 1,233
Accounts receivable	2	2
Due from Nunavut Liquor Commission	15	63
Inventories (note 3)	2,707	3,089
Prepaid expenses	24	12
	5,114	4,399
Capital assets (note 4)	46	65
	$ 5,160	$ 4,464
Liabilities		
Current liabilities:		
Accounts payable	$ 2,080	$ 2,064
Employee future benefits	102	97
Due to the Government of the Northwest Territories	2,978	2,303
Commitment (note 8)		
	$ 5,160	$ 4,464

See accompanying notes to financial statements.

Approved by Management:

R.D. Courtoreille
General Manager

NORTHWEST TERRITORIES LIQUOR COMMISSION

Statement of Income

Year ended March 31, 2002, with comparative figures for 2001

	2002 ($000's)	2001 ($000's)
Sales:		
Beer	$ 16,163	$ 14,684
Spirits	13,898	12,553
Wine	3,088	2,745
Coolers and ciders	1,431	1,119
	34,580	31,101
Cost of goods sold:		
Beer	6,691	6,057
Spirits	4,147	3,719
Wine	1,261	1,195
Coolers and ciders	572	326
	12,671	11,297
Gross profit on sales	21,909	19,804
Other income:		
License fees and permits	558	502
Import fees and other income	362	375
	920	877
	22,829	20,681
Expenses:		
Commissions to agents	2,960	2,907
Salaries, wages and employee benefits	885	883
Administration	111	130
Travel	66	71
Rent	59	56
Computer services	54	32
Inspectors' fees	51	51
Insurance	51	–
Amortization of capital assets	49	121
Board member honoraria	24	23
Losses due to breakage, spoilage and theft	8	7
	4,318	4,281
Net income	$ 18,511	$ 16,400

See accompanying notes to financial statements.

NORTHWEST TERRITORIES LIQUOR COMMISSION

Statement of Amount Due to the Government of the Northwest Territories

Year ended March 31, 2002, with comparative figures for 2001

	2002 ($000's)	2001 ($000's)
Balance, beginning of year	$ 2,303	$ 2,464
Net income	18,511	16,400
Salaries, wages and benefits paid by the Government	885	875
	21,699	19,739
Net transfer of funds to the Government	18,721	17,436
Balance, end of year	$ 2,978	$ 2,303

See accompanying notes to financial statements.

NORTHWEST TERRITORIES LIQUOR COMMISSION

Statement of Cash Flows

Year ended March 31, 2002, with comparative figures for 2001

	2002 ($000's)	2001 ($000's)
Cash flows from operating activities:		
Cash received from customers	$ 35,554	$ 32,847
Cash paid to suppliers and employees	(15,670)	(14,519)
Net cash provided by operating activities	19,884	18,328
Cash flows from investing activities:		
Purchase of capital assets	(30)	(14)
Net cash used in investing activities	(30)	(14)
Cash flows from financing activities:		
Cash transferred to the Government of the Northwest Territories	(18,721)	(17,436)
Net cash used in financing activities	(18,721)	(17,436)
Increase (decrease) in cash	1,133	878
Cash, beginning of year	1,233	355
Cash, end of year	$ 2,366	$ 1,233

See accompanying notes to financial statements.

NORTHWEST TERRITORIES LIQUOR COMMISSION

Notes to Financial Statements

Year ended March 31, 2002

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1. Authority and operations:

The Northwest Territories Liquor Commission is established under Part II of the Northwest Territories Liquor Act. It is responsible for the operation of liquor stores and the purchase and distribution of liquor in the Northwest Territories through the Liquor Revolving Fund. The Department of Finance is responsible for the administration of the Fund through the Consolidated Revenue Fund. The Commission is authorized by the Legislative Assembly to receive interest free working capital advances from time to time not exceeding $6,500,000 to finance its operations.

Net income for the year is to be transferred to the Government of the Northwest Territories in accordance with the Liquor Act.

These financial statements include the operations of the Liquor Licensing Board of the Northwest Territories.

The Commission is non-taxable under the Income Tax Act, Canada.

2. Significant accounting policies:

(a) Inventories:

Inventories are valued at replacement cost which is not materially different than cost. Cost includes invoiced cost, freight, duties and taxes.

(b) Capital assets:

Computer equipment represents hardware and software and is stated at cost. Amortization is provided on the straight-line basis at an annual rate of 33%.

Recycling equipment is stated at cost. Amortization is provided on cost less estimated salvage value on the straight-line basis at an annual rate of 10%.

Leasehold improvements are stated at cost. Amortization is provided on the straight-line basis at an annual rate of 20%.

Furniture and fixtures are stated at cost. Amortization is provided on cost less estimated salvage value on the straight-line basis at an annual rate of 20%.

NORTHWEST TERRITORIES LIQUOR COMMISSION

Notes to Financial Statements

Year ended March 31, 2002

2. Significant accounting policies, continued:

(c) Pension benefits:

Employees participate in the Public Service Superannuation Plan administered by the Government of Canada. The Commission's contribution to the plan reflects the full cost of the employer contributions. This amount is currently based on a multiple of the employee's required contributions, and may change from time to time depending on the experience of the Plan. These contributions represent the total pension obligations of the Commission and are charged to operations on a current basis. The Commission is not currently required to make contributions with respect to actuarial deficiencies of the Public Service Superannuation Account..

(d) Non-pension benefits:

The Commission is required to recognize certain non-pension post-employment benefits over the periods which employees render services to the Commission. Employees are entitled to specified benefits on termination as provided for under conditions of employment, through a severance benefit plan. The Commission recognizes the cost of future severance benefits over the periods in which the employees render services to the entity and the liability for these benefits is recorded in the accounts as the benefits accrue to employees.

3. Inventories:

	2002 ($000's)	2001 ($000's)
Spirits	$ 1,130	$ 1,521
Wine	477	441
Beer	961	950
Coolers and ciders	139	177
	$ 2,707	$ 3,089

NORTHWEST TERRITORIES LIQUOR COMMISSION

Notes to Financial Statements

Year ended March 31, 2002

4. Capital assets:

	Cost	Accumulated amortization	2002 Net book value	2001 Net book value
	($000's)	($000's)	($000's)	($000's)
Computer equipment	$ 470	$ 445	$ 25	$ 47
Recycling equipment	150	135	15	15
Leasehold improvements	39	39	-	-
Furniture and fixtures	35	29	6	3
	$ 694	$ 648	$ 46	$ 65

5. Employee future benefits:

Pension Benefit:

During the year the Public Service Superannuation Plan (PSSA) required the Commission to contribute to the PSSA at a rate of 2.14 times the employees' contributions. The Commission contributed $72,000 to the PSSA during the year (2001 - $74,000).

6. Related party transactions:

The Commission is related in terms of common ownership to all Government of the Northwest Territories created departments, agencies and corporations. The Commission enters into transactions with these entities in the normal course of business.

The Government of the Northwest Territories provides the Commission with various administrative services, the value of which is not reflected in these financial statements.

7. Service agreement:

The Commission provides various corporate and program delivery services to the Nunavut Liquor Commission and Nunavut Liquor Licensing Board. It received $125,000 ($147,000 in 2001) in fees for the services rendered. This amount is included in import fees and other income on the income statement.

NORTHWEST TERRITORIES LIQUOR COMMISSION

Notes to Financial Statements

Year ended March 31, 2002

8. Commitment:

The Commission renewed a lease agreement for premises for a five year term ending August 31, 2005. The minimum annual lease payments are:

		($000's)
Year ending March 31:		
2003	$	50
2004		50
2005		50
2006		21
	$	171

Annual lease payments include operating costs which are subject to annual increases based on the consumer price index and adjustments for property tax assessments.

Northwest Territories Liquor Commission

Financial Results And General Statistics

Year In Review

Net revenues from the sale of liquor increased to $18,381,000 in 2001/2002 from $16,293,000 in 2000/2001. The increased revenues of $2.1 million or 12.2% over the previous year are due to increased economic activity in the Northwest Territories, primarily in the Mining and Oil and Gas industry and a one-time sale of start-up inventory to the privatized liquor stores in Yellowknife.

The total volumes of liquor sold increased by 314,000 litres. Although liquor sold to licensed premises in Fort Smith, Fort Simpson and Norman Wells decreased by 15,000 litres, overall consumer volumes increased 12,000 litres in those communities. The increased volumes are due primarily to increased retail sales in Yellowknife, Inuvik and Hay River.

A study conducted in late 2000 and early 2001 in Yellowknife on the level of service provided by the Liquor Commission revealed that most residents of the City wanted two liquor stores. The Liquor Commission issued a Request For Proposals (RFP) for the provision and operation of two independent liquor stores; one in the Downtown area and the other in the Range/Frame Lake area. Submissions by 913007 NWT Ltd. and 4898 NWT Ltd. were deemed to provide the best value to the GNWT. Ten-year contracts were assigned to 913007 NWT Ltd. and 4898 NWT Ltd. for stores in the Downtown and the Range/Frame Lake area respectively. Each store operator is required to purchase liquor from the liquor warehouse and applies mark-ups to arrive at retail prices for liquor products in their respective stores.

The Liquor Commission also issued a RFP for the provision and operation of a liquor store in Fort Smith. Only one proposal was submitted. A ten-year agreement was entered into with Martsellos Services (the current operator), as a result of the review by the evaluation committee.

Mark – Ups

The NWT is one of two liquor jurisdictions in Canada that utilizes a flat rate mark-up to generate revenue from the sale of liquor.

In addition to product costs, freight, container deposits, GST, retail, warehousing and administrative costs, the flat rate mark-up generates the liquor price at which residents and licensed premises purchase liquor in each community. The application of a flat rate mark-up ensures that revenues generated from the sale of liquor products remain constant while retail prices vary from community to community.

Current mark-ups per litre were used for the period ending March 31, 2002.

Spirits	$23.49
Wine	$ 6.99
Beer	$ 1.74
Coolers	$ 2.73
Ciders	$ 1.78

Import Permits

A person who is eligible to purchase and consume liquor in the Northwest Territories may import 1140ml of spirits or wine or twelve 355ml containers of beer. An import permit is required to import quantities greater than the allowable amounts.

Import permit fees per litre are as follows:

Spirits	$ 8.77
Wine	$ 7.02
Beer	$ 0.70
Coolers/ciders	$ 1.75

Container deposit and GST are in addition to the listed fees. Twenty-four permits were issued in 2001/2002, which generated $1,300 in additional revenue.

Retailing and Warehousing

Private sector contractors operate all retail outlets and warehouses. The Liquor Commission continued to operate the Nunavut Liquor Commission under a contracting agreement between the Government of the Northwest Territories and the Nunavut government.

Contractors and expiry dates of each contract are as follows:

Fort Simpson Liquor Agency
974173 NWT Ltd. October 31, 2003

Fort Smith Liquor Agency
Martselos Services Ltd. November 30, 2011

Hay River Liquor Warehouse
Hay River Liquor Retailers (1991) Ltd.
January 31, 2004

Hay River Liquor Agency
Hay River Liquor Retailers (1991) Ltd.
March 31, 2007

Inuvik Liquor Warehouse
Stanton Group Ltd June 30, 2004

Inuvik Liquor Agency
Stanton Group Ltd September 30, 2004

Norman Wells Liquor Agency
Norman Wells Liquor Agency Ltd.
September 30, 2003

Yellowknife Liquor Agency
913007 NWT Ltd. January 20, 2012

The Liquor Shop
4898 NWT Ltd. January 20, 2012

Yellowknife Liquor Warehouse
Hay River Liquor Retailers (1991) Ltd.
February 28, 2008

Resupply

The Liquor Commission uses water and road transportation modes to resupply liquor products to its liquor agencies and warehouses.

Approximately 95% of all liquor sold in the Northwest Territories is readily supplied by the highway system with little or no service interruptions caused by freeze up or break up of river crossings. Due to the availability of ferry service or winter ice crossings, Yellowknife, Inuvik and Ft. Simpson liquor facilities must warehouse greater quantities of liquor to last over the freeze up or break up periods. Similarly, the Norman Wells liquor outlet is resupplied by barge with spirits, wine and beer during the summer months and again by winter road during the winter months.

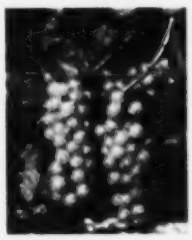
The Liquor Commission purchases all domestic liquor products directly from the distillery, brewery or winery, while imported liquor products are purchased from the British Columbia Liquor Distribution Branch and some from Alberta Gaming and Liquor Commission. Some domestic suppliers have arranged to ship their product from warehouse facilities in Alberta, which enables the Liquor Commission to order on a more frequent basis. Resupplies from British Columbia and Alberta enables the Liquor Commission to purchase smaller quantities of liquor more frequently and reduce the amount of money tied up in inventories.

Recycling

In 1991, the Liquor Commission initiated a deposit refund program on all liquor containers except beer bottles from Molson and Labatt breweries. These breweries have a deposit refund program in place on their beer bottles sold in the Northwest Territories. In communities where the Liquor Commission has an outlet, liquor containers can be returned to local bottle depots for a full deposit refund.

During the year, 5,931,000 liquor containers were sold, while 3,282,000 containers or 55.3% were returned to NWT bottle depots for a refund. Approximately 6 million beer bottles from Labatt and Molson breweries were also sold.

Labatt and Molson beer bottles may be returned to the local bottle depot for a refund determined by the local depot operator. These refunds vary from community to community. Approximately 90% of the Molson and Labatt beer bottles are returned to Brewers Distributing through their deposit refund program.



Consolidated Operations (Excluding Liquor Licensing Board)

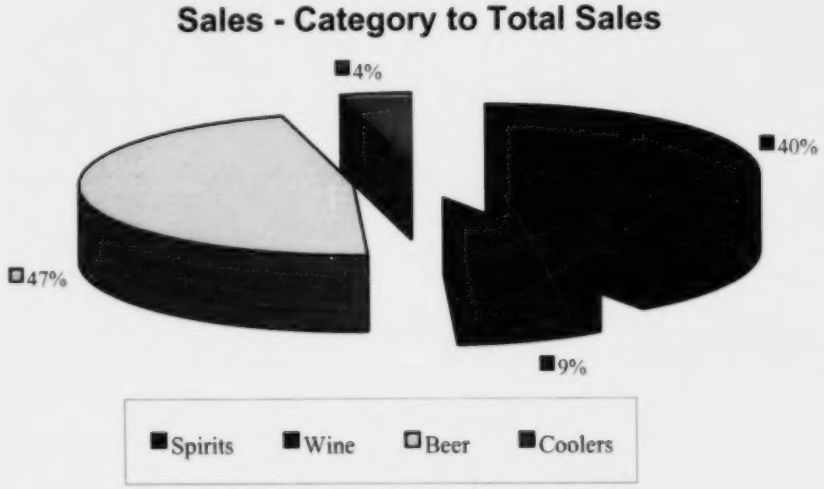
March 31, 2002
($000's)

	Spirits	Wine	Beer	Coolers	2002	2001
Sales						
Consumers	11,782	2,547	9,582	931	24,842	22,531
Licensees	2,117	541	6,581	499	9,738	8,570
	13,899	3,088	16,163	1,430	34,580	31,101
Cost of Sales						
Beginning Inventory	1,520	441	950	177	3,088	2,963
Purchases	3,632	1,217	5,927	466	11,242	10,480
Freight	123	81	774	68	1,046	942
Ending Inventory	(1,129)	(477)	(961)	(139)	(2,706)	(3,088)
	4,146	1,262	6,690	572	12,670	11,297
Gross Margin	9,753	1,826	9,473	858	21,910	19,804
Other Income						
Import Permits					1	2
Bottle Deposit Program					228	124
Other					127	213
					356	339
Expenses						
Commissions to agents					2,960	2,907
Salaries, wages & employee benefits					642	633
Amortization of capital assets					49	121
Travel					46	16
Rent					46	43
Office supplies					23	38
Computer services					54	32
Communications					23	30
Professional fees					5	11
Advertising					9	9
Losses due to breakage, spoilage and theft					8	7
Miscellaneous					20	3
Insurance					-	-
					3,885	3,850
Net Income					18,381	16,293

Performance Ratios

March 31, 2002

Sales ratios	Spirits	Wine	Beer	Coolers	2002	2001
Category to Total Sales	40.2%	8.9%	46.7%	4.1%		
Consumer Sales to Total Category	84.8%	82.5%	59.3%	65.1%	71.8%	72.4%
Licensee Sales to Total Category	15.2%	17.5%	40.7%	34.9%	28.2%	27.6%
Profitability ratios						
% Gross Margin to Sales	70.2%	59.1%	58.6%	60.0%	63.4%	63.7%
% Net Income to Sales					53.2%	52.4%
Efficiency ratio						
Inventory Turns	3.13	2.75	7.00	3.62	4.37	3.73

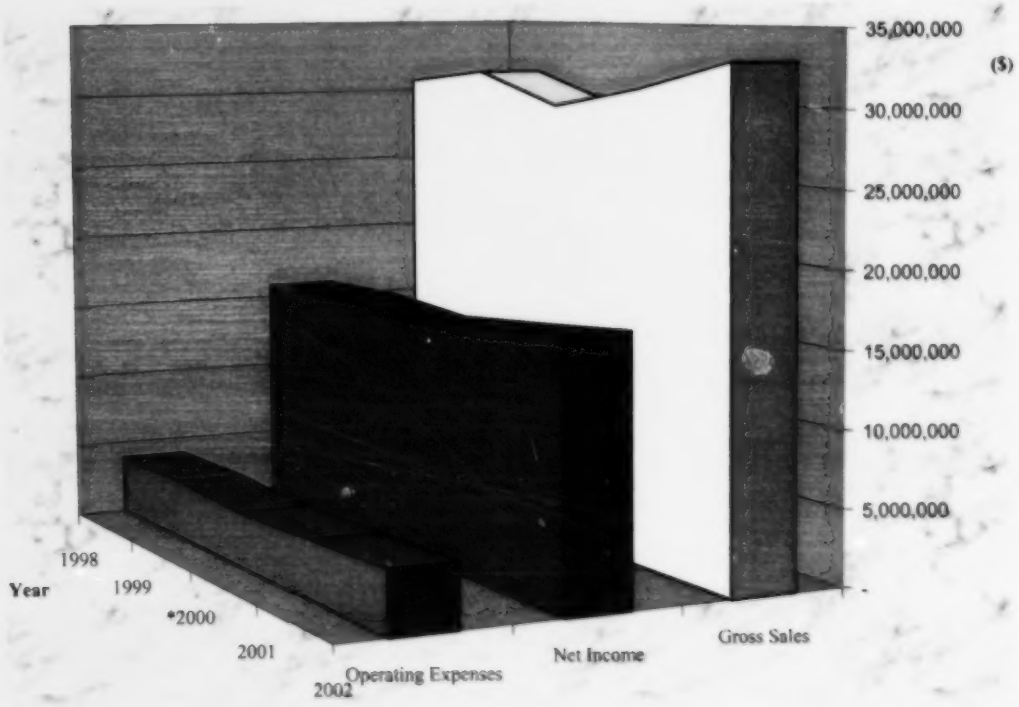


Five Year Performance History

($000's)

Year ended March 31st	Gross Sales	%Change In Sales	Net Income	Net Income as % of Sales	Operating Expenses
1998	30,706	2.2%	15,846	51.61%	3,875
1999	31,617	3.0%	16,043	50.74%	3,930
*2000	29,613	-6.3%	15,570	52.58%	3,651
2001	31,101	5.0%	16,293	52.73%	3,851
2002	34,580	11.2%	18,381	53.15%	3,885

Five Year Performance



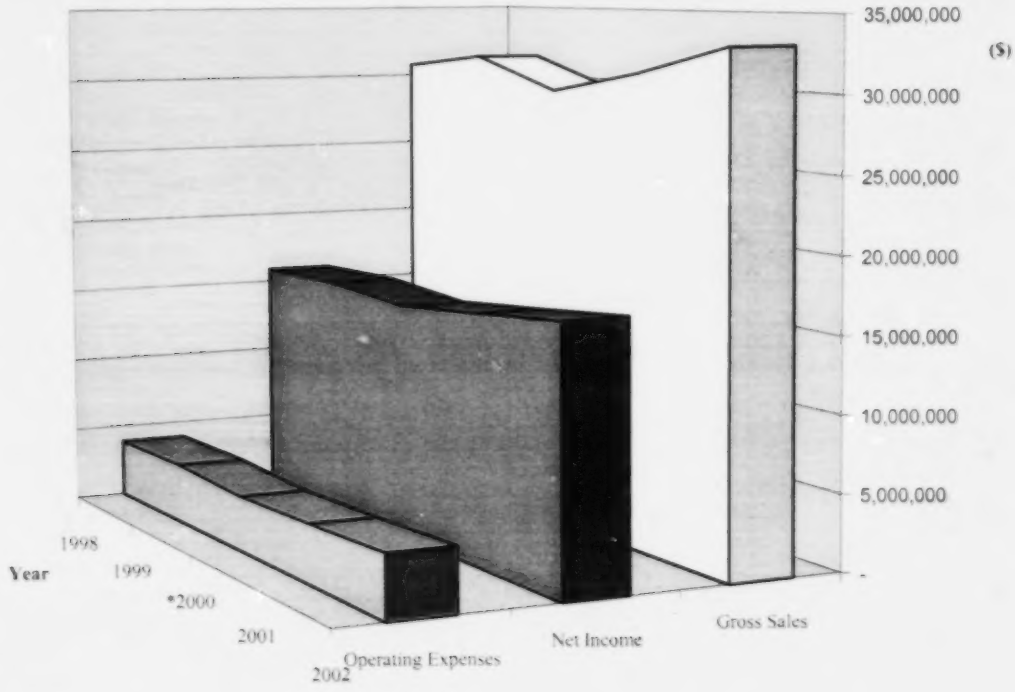
*Sales in 2000 and subsequent years no longer include Nunavut Liquor Sales.

Five Year Performance History

($000's)

Year ended March 31st	Gross Sales	%Change In Sales	Net Income	Net Income as % of Sales	Operating Expenses
1998	30,706	2.2%	15,846	51.61%	3,875
1999	31,617	3.0%	16,043	50.74%	3,930
*2000	29,613	-6.3%	15,570	52.58%	3,651
2001	31,101	5.0%	16,293	52.73%	3,851
2002	34,580	11.2%	18,381	53.15%	3,885

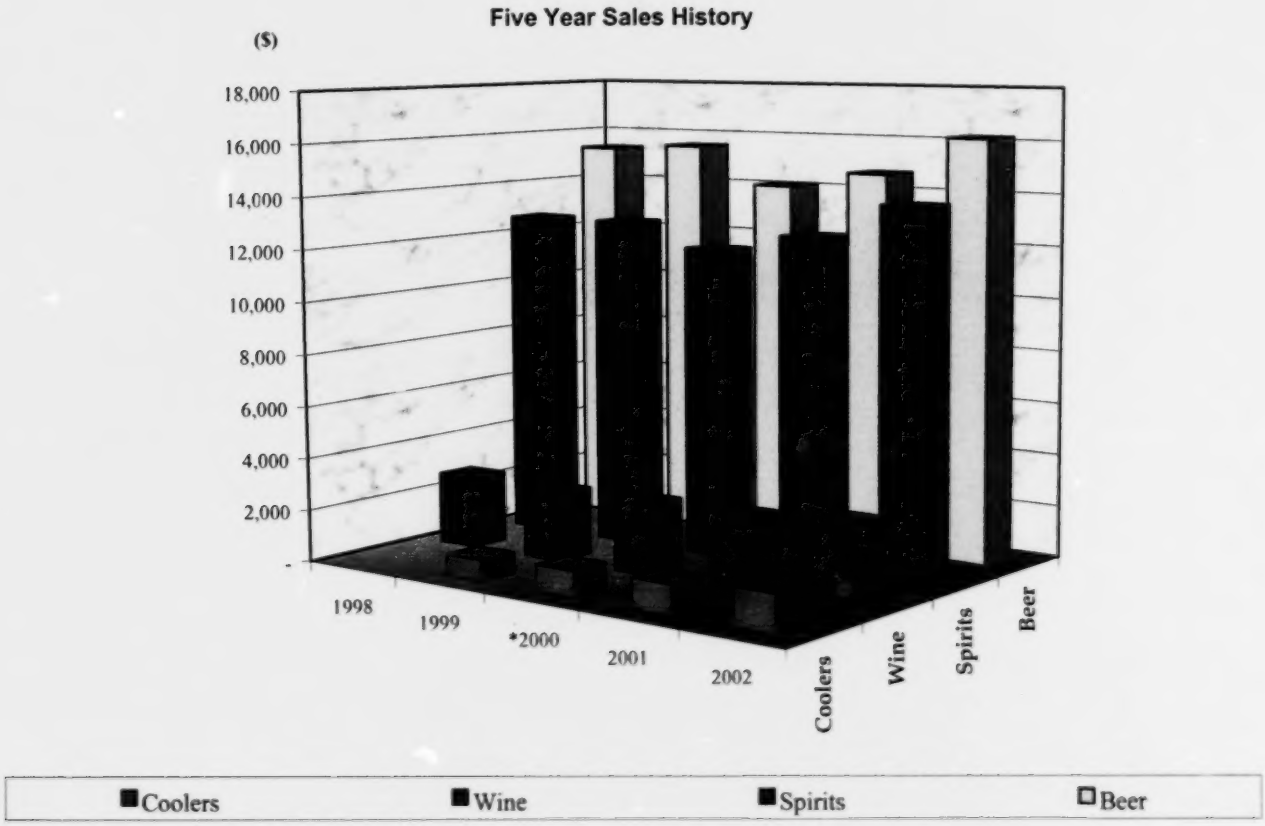
Five Year Performance



*Sales in 2000 and subsequent years no longer include Nunavut Liquor Sales.

Five Year Sales History

($000's)	1998	1999	*2000	2001	2002
Spirits	12,664	12,709	11,852	12,553	13,899
Wine	2,735	2,608	2,700	2,745	3,088
Beer	15,307	15,508	14,072	14,684	16,163
Coolers		792	989	1,119	1,430
	30,706	31,617	29,613	31,101	34,580

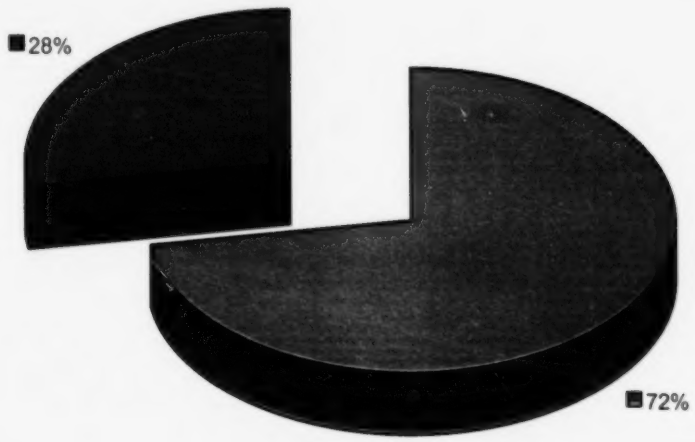


* Sales in 2000 and subsequent years no longer include Nunavut Liquor Sales.

Liquor Sales by Customer Type

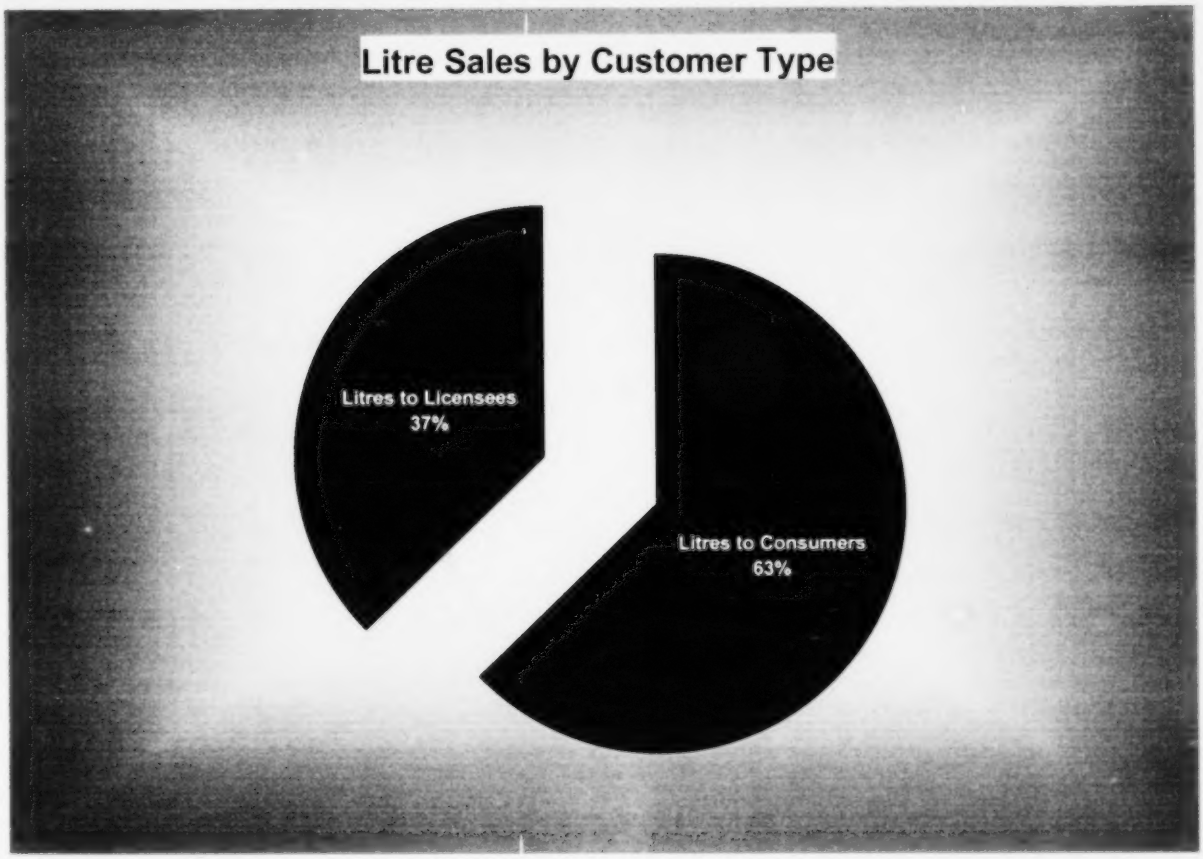
($000's)	2002	% of Total Sales
Sales to Consumers		
Spirits	11,781	34.1%
Beer	9,582	27.7%
Wine	2,547	7.4%
Coolers	930	2.7%
Total Consumer Sales	24,840	71.8%
Sales to Licensees		
Spirits	2,117	5.7%
Beer	6,581	19.0%
Wine	542	1.6%
Coolers	500	1.1%
Total Licensee Sales	9,740	28.2%
Total Sales	**34,580**	100.0%

Sales by Customer Type ($)



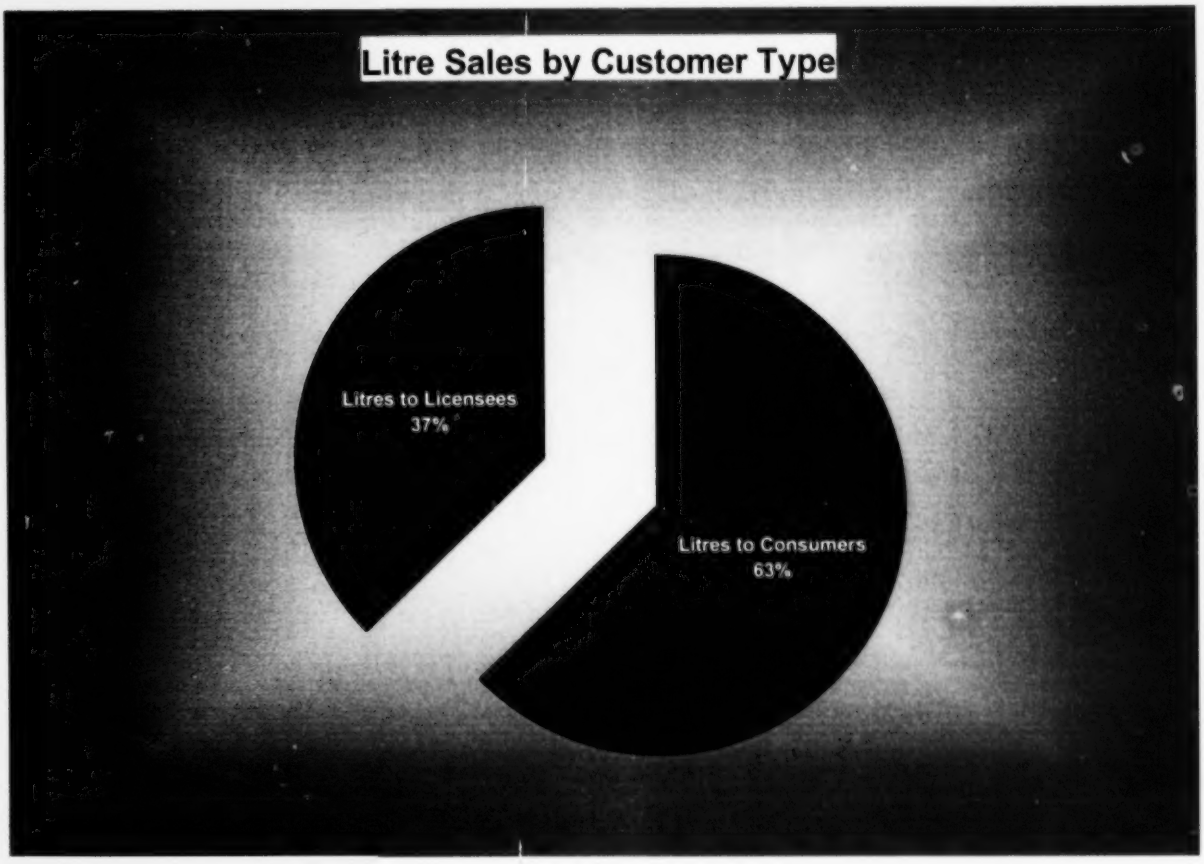
Litre Sales by Customer Type

(000's)	2002	% of Total Sales
Litres to Consumers		
Spirits	341	7.8%
Beer	2,056	47.3%
Wine	196	4.5%
Coolers	148	3.4%
Total Consumer Litre Sales	2,741	63.1%
Litres to Licensees		
Spirits	63	1.5%
Beer	1,424	32.8%
Wine	39	0.9%
Coolers	77	1.8%
Total Licensee Litre Sales	1,603	36.9%
Total Sales	**4,344**	100.0%

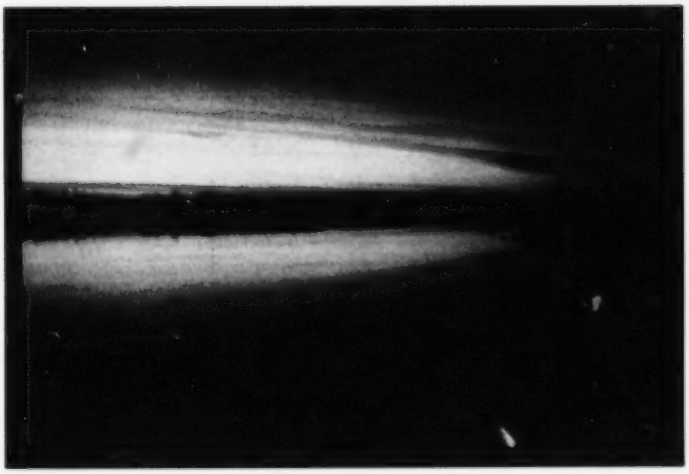


Litre Sales by Customer Type

(000's)	2002	% of Total Sales
Litres to Consumers		
Spirits	341	7.8%
Beer	2,056	47.3%
Wine	196	4.5%
Coolers	148	3.4%
Total Consumer Litre Sales	2,741	63.1%
Litres to Licensees		
Spirits	63	1.5%
Beer	1,424	32.8%
Wine	39	0.9%
Coolers	77	1.8%
Total Licensee Litre Sales	1,603	36.9%
Total Sales	**4,344**	100.0%



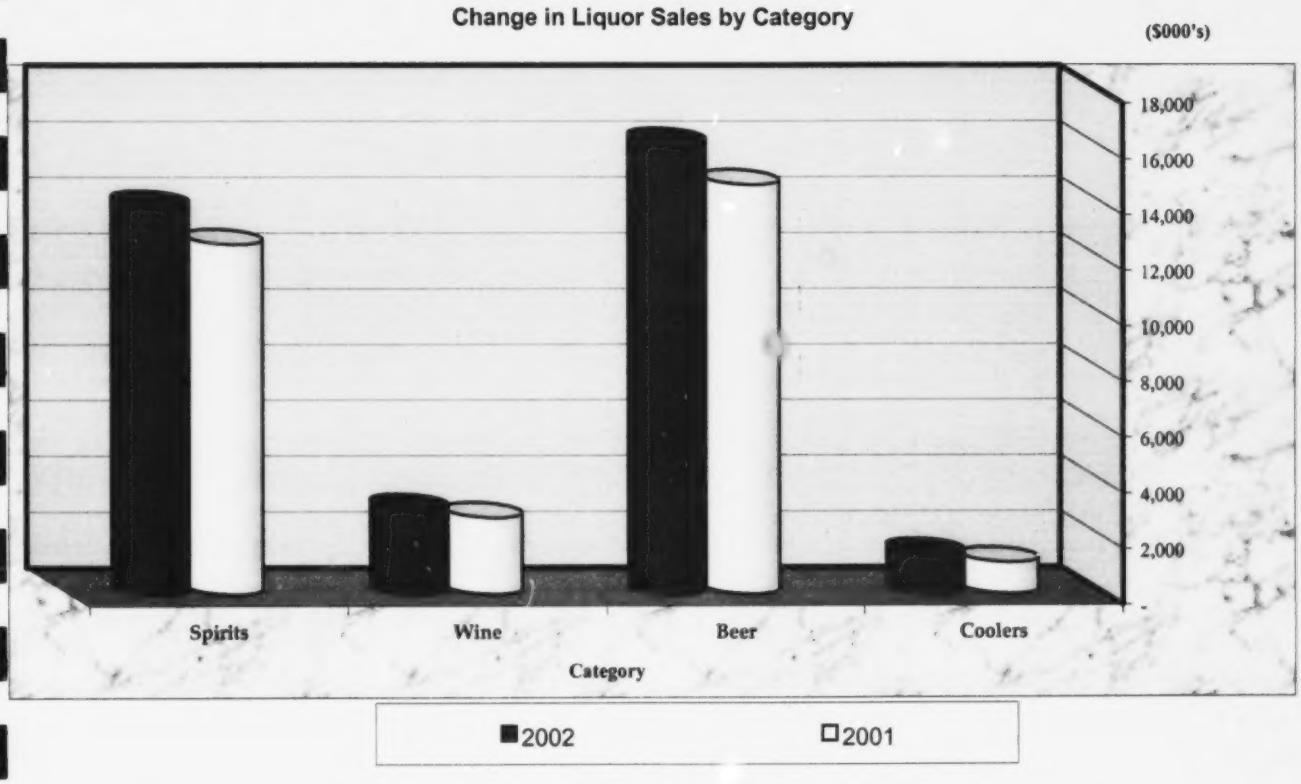
Store Operations



Liquor Sold by Location

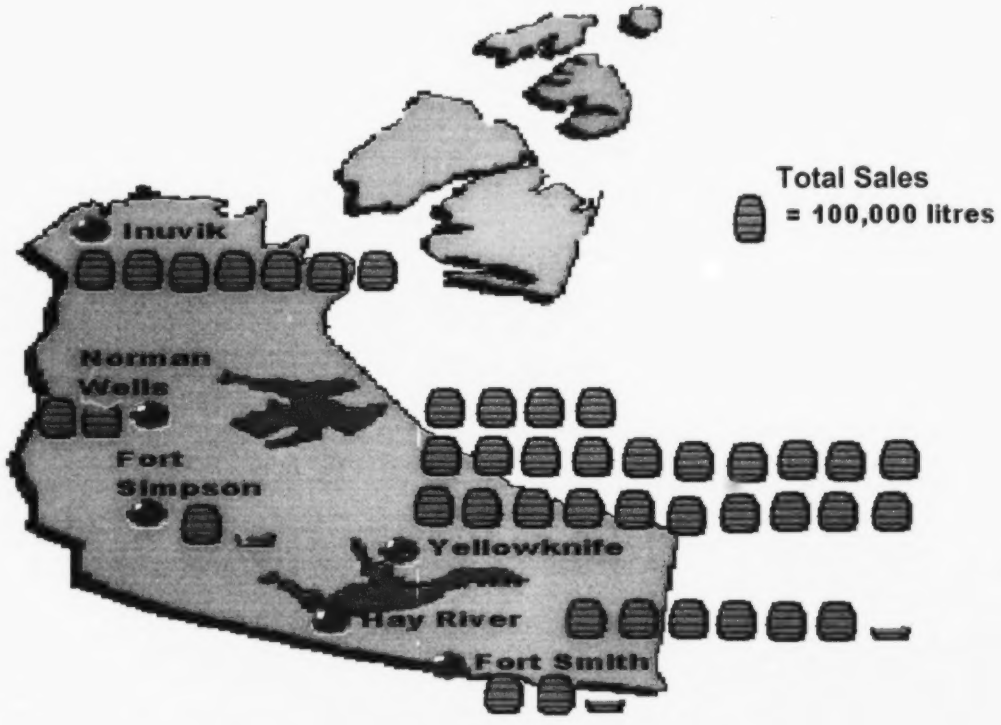
($000's)	Spirits	Wine	Beer	Coolers	2002	2001
Yellowknife	7,248	2,171	8,560	717	18,696	16,603
Inuvik	3,070	340	2,850	345	6,605	5,644
Hay River	1,558	253	2,425	189	4,425	4,093
Norman Wells	648	62	796	70	1,576	1,565
Fort Smith	511	200	933	77	1,721	1,641
Fort Simpson	858	32	587	31	1,508	1,512
*Other	6	31	11	1	49	43
Total 2002	13,899	3,089	16,162	1,430	34,580	
Total 2001	12,553	2,745	14,684	1,119		31,101
% Increase	**11%**	**11%**	**10%**	**28%**	**11%**	

* Other consists of miscellaneous sales that do not conform to the prescribed commission sales.



Litres Sold by Location

(000's)	Spirits	Wine	Beer	Coolers	2002	2001
Yellowknife	210	163	1,933	117	2,423	2,258
Inuvik	88	26	558	50	722	603
Hay River	46	21	533	30	630	601
Norman Wells	19	4	154	11	188	181
Fort Smith	15	17	194	12	238	237
Fort Simpson	24	2	106	4	136	147
*Other	2	2	3	-	7	3
Total 2002	404	235	3,481	224	4,344	
Total 2001	365	212	3,268	185		4,030
% Increase	**11%**	**11%**	**7%**	**21%**	**8%**	



YELLOWKNIFE OPERATIONS

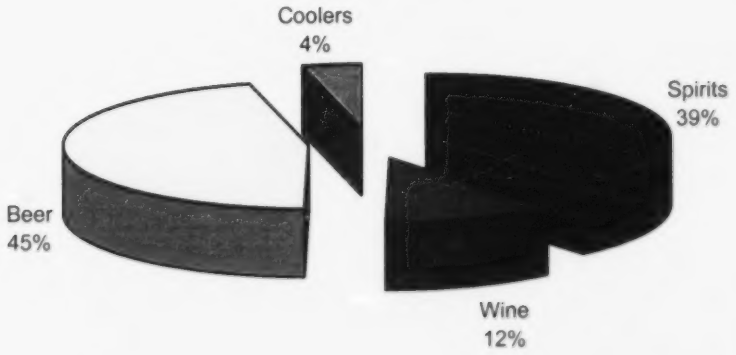
Statement of Operations for the year ended March 31, 2002

($000's)

	2002					2001
	Spirits	Wine	Beer	Coolers	Total	Total
Sales						
Consumers	5,963	1,732	5,288	461	13,444	11,795
Licensees	1,285	439	3,272	256	5,252	4,808
	7,248	2,171	8,560	717	18,696	16,603
Cost of goods sold						
Beginning inventory	794	291	539	82	1,706	1,502
Purchases	1,925	867	3,245	231	6,268	5,914
Freight	50	46	314	22	432	422
Cost of goods available for resale	2,769	1,204	4,098	335	8,406	7,838
Ending inventory	573	294	529	51	1,447	1,706
Cost of goods sold	2,196	910	3,569	284	6,959	6,132
Gross income	5,052	1,261	4,991	433	11,737	10,471
Other income					-	-
Operating expenses					1,394	1,421
Net income					$ 10,343	$ 9,050

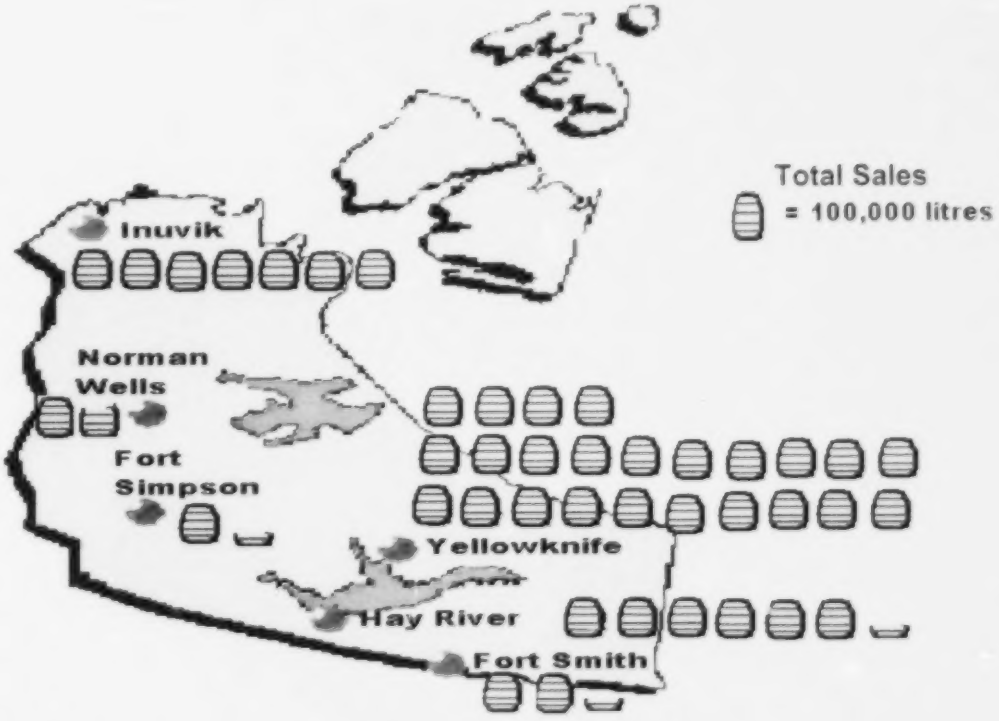
Efficiency Ratio:						
Inventory Turns	3.21	3.11	6.68	4.27	4.41	3.82

Sales by Category



Litres Sold by Location

(000's)	Spirits	Wine	Beer	Coolers	2002	2001
Yellowknife	210	163	1,933	117	2,423	2,258
Inuvik	88	26	558	50	722	603
Hay River	46	21	533	30	630	601
Norman Wells	19	4	154	11	188	181
Fort Smith	15	17	194	12	238	237
Fort Simpson	24	2	106	4	136	147
*Other	2	2	3	-	7	3
Total 2002	404	235	3,481	224	4,344	
Total 2001	365	212	3,268	185		4,030
% Increase	11%	11%	7%	21%	8%	



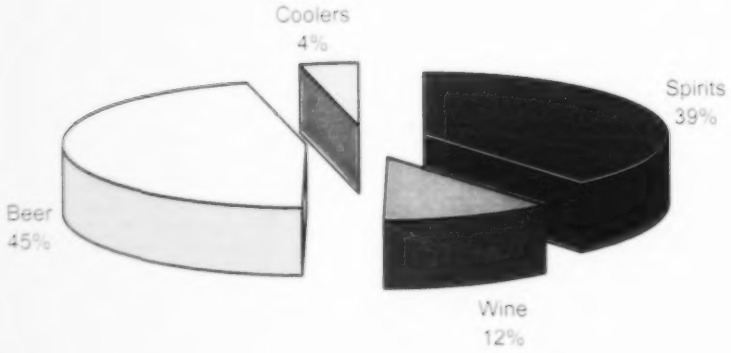
YELLOWKNIFE OPERATIONS

Statement of Operations for the year ended March 31, 2002

($000's)

	2002					2001
	Spirits	Wine	Beer	Coolers	Total	Total
Sales						
Consumers	5,963	1,732	5,288	461	13,444	11,795
Licensees	1,285	439	3,272	256	5,252	4,808
	7,248	2,171	8,560	717	18,696	16,603
Cost of goods sold						
Beginning inventory	794	291	539	82	1,706	1,502
Purchases	1,925	867	3,245	231	6,268	5,914
Freight	50	46	314	22	432	422
Cost of goods available for resale	2,769	1,204	4,098	335	8,406	7,838
Ending inventory	573	294	529	51	1,447	1,706
Cost of goods sold	2,196	910	3,569	284	6,959	6,132
Gross income	5,052	1,261	4,991	433	11,737	10,471
Other income					-	-
Operating expenses					1,394	1,421
Net income					$ 10,343	$ 9,050
Efficiency Ratio:						
Inventory Turns	3.21	3.11	6.68	4.27	4.41	3.82

Sales by Category



INUVIK OPERATIONS

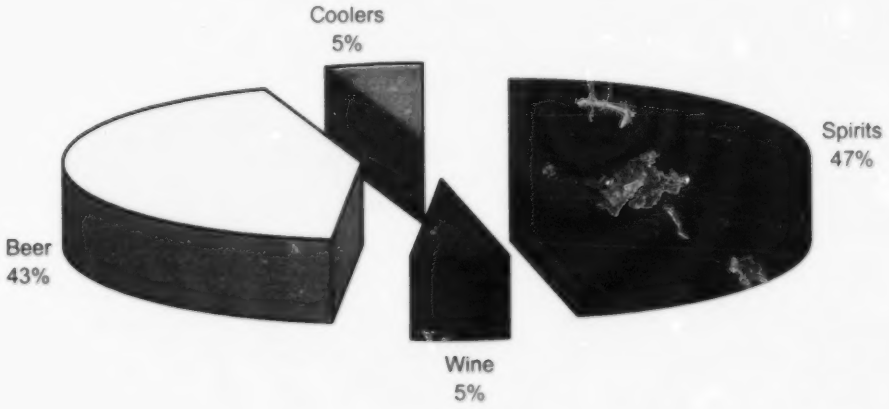
Statement of Operations for the year ended March 31, 2002

($000's)

	2002					2001
	Spirits	Wine	Beer	Coolers	Total	Total
Sales						
Consumers	2,692	281	1,452	202	4,627	4,253
Licensees	378	59	1,398	143	1,978	1,391
	3,070	340	2,850	345	6,605	5,644
Cost of goods sold						
Beginning inventory	293	45	207	36	581	533
Purchases	717	132	973	107	1,929	1,774
Freight	40	18	273	26	357	422
Cost of goods available for resale	1,050	195	1,453	169	2,867	2,729
Ending inventory	144	61	232	23	460	581
Cost of goods sold	906	134	1,221	146	2,407	2,148
Gross income	2,164	206	1,629	199	4,198	3,496
Other income					-	-
Operating expenses					566	522
Net income					$ 3,632	$ 2,974

Efficiency Ratio:						
Inventory Turns	4.15	2.53	5.56	4.95	4.62	3.86

Sales by Category



HAY RIVER OPERATIONS

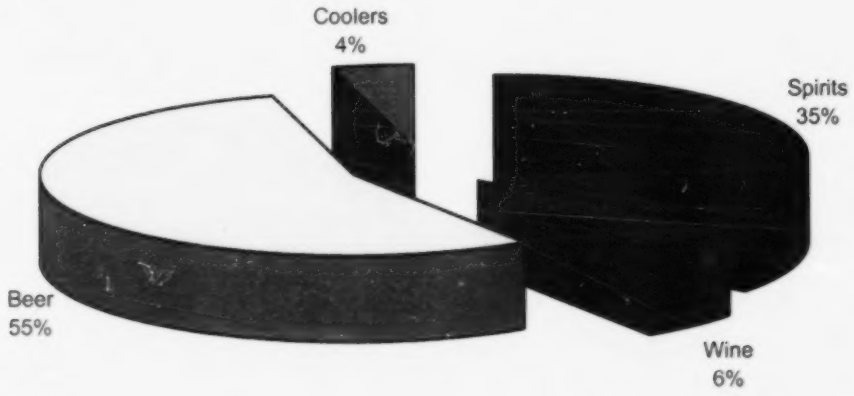
Statement of Operations for the year ended March 31, 2002

($000's)

	2002					2001
	Spirits	Wine	Beer	Coolers	Total	Total
Sales						
Consumers	1,343	229	1,387	137	3,096	2,948
Licensees	215	24	1,038	52	1,329	1,145
	1,558	253	2,425	189	4,425	4,093
Cost of goods sold						
Beginning inventory	268	67	80	46	461	516
Purchases	420	91	906	60	1,477	1,324
Freight	10	5	75	10	100	97
Cost of goods available for resale	698	163	1,061	116	2,038	1,937
Ending inventory	250	86	73	49	458	461
Cost of goods sold	448	77	988	67	1,580	1,476
Gross income	1,110	176	1,437	122	2,845	2,617
Other income					-	-
Operating expenses					495	451
Net income					$ 2,350	$ 2,166

Efficiency Ratio:						
Inventory Turns	1.73	1.01	12.92	1.41	3.44	3.02

Sales by Category



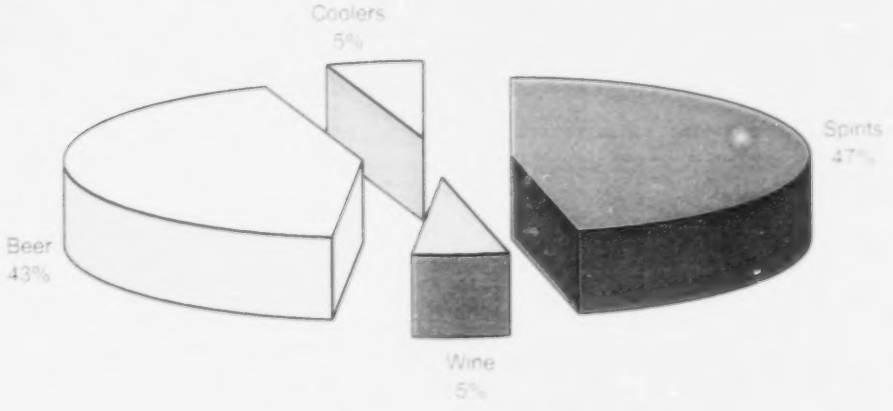
INUVIK OPERATIONS

Statement of Operations for the year ended March 31, 2002

($000's)

	2002					2001
	Spirits	Wine	Beer	Coolers	Total	Total
Sales						
Consumers	2,692	281	1,452	202	4,627	4,253
Licensees	378	59	1,398	143	1,978	1,391
	3,070	340	2,850	345	6,605	5,644
Cost of goods sold						
Beginning inventory	293	45	207	36	581	533
Purchases	717	132	973	107	1,929	1,774
Freight	40	18	273	26	357	422
Cost of goods available for resale	1,050	195	1,453	169	2,867	2,729
Ending inventory	144	61	232	23	460	581
Cost of goods sold	906	134	1,221	146	2,407	2,148
Gross income	2,164	206	1,629	199	4,198	3,496
Other income					-	
Operating expenses					566	522
Net income					$ 3,632	$ 2,974
Efficiency Ratio:						
Inventory Turns	4.15	2.53	5.56	4.95	4.62	3.86

Sales by Category



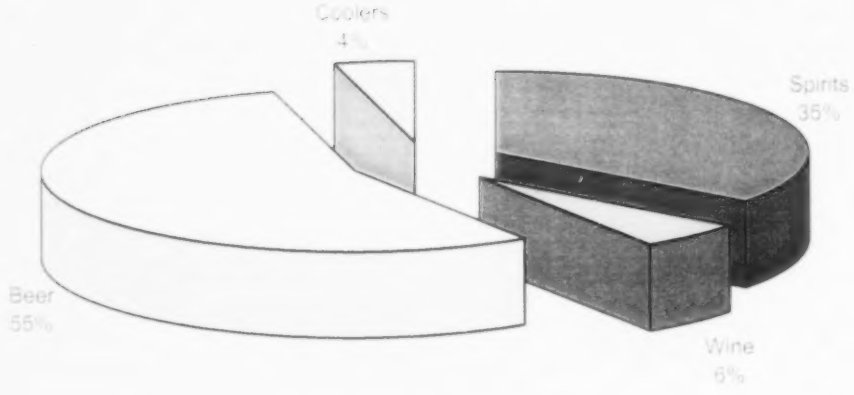
HAY RIVER OPERATIONS

Statement of Operations for the year ended March 31, 2002

($000's)

	2002					2001
	Spirits	Wine	Beer	Coolers	Total	Total
Sales						
Consumers	1,343	229	1,387	137	3,096	2,948
Licensees	215	24	1,038	52	1,329	1,145
	1,558	253	2,425	189	4,425	4,093
Cost of goods sold						
Beginning inventory	268	67	80	46	461	516
Purchases	420	91	906	60	1,477	1,324
Freight	10	5	75	10	100	97
Cost of goods available for resale	698	163	1,061	116	2,038	1,937
Ending inventory	250	86	73	49	458	461
Cost of goods sold	448	77	988	67	1,580	1,476
Gross income	1,110	176	1,437	122	2,845	2,617
Other income					-	-
Operating expenses					486	451
Net income					$ 2,359	$ 2,166
Efficiency Ratio:						
Inventory Turns	1.73	1.01	12.92	1.41	3.44	3.02

Sales by Category



NORMAN WELLS OPERATIONS

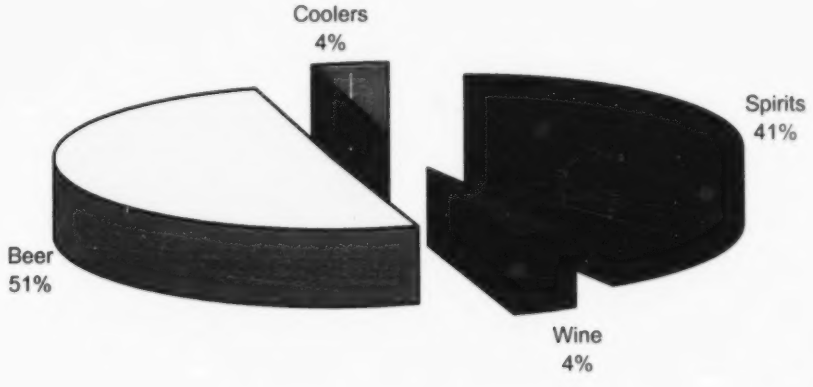
Statement of Operations for the year ended March 31, 2002

($000's)

	2002					2001
	Spirits	**Wine**	**Beer**	**Coolers**	**Total**	**Total**
Sales						
Consumers	562	49	535	51	1,197	1,168
Licensees	86	13	261	19	379	397
	648	62	796	70	1,576	1,565
Cost of goods sold						
Beginning inventory	97	17	87	9	210	202
Purchases	183	26	263	26	498	485
Freight	10	3	52	5	70	74
Cost of goods available for resale	290	46	402	40	778	761
Ending inventory	100	17	92	13	222	210
Cost of goods sold	190	29	310	27	556	551
Gross income	458	33	486	43	1,020	1,014
Other income					-	-
Operating expenses					195	190
Net income					$ 825	$ 824

Efficiency Ratio:						
Inventory Turns	1.93	1.71	3.46	2.45	2.57	2.67

Sales by Category



FORT SMITH OPERATIONS

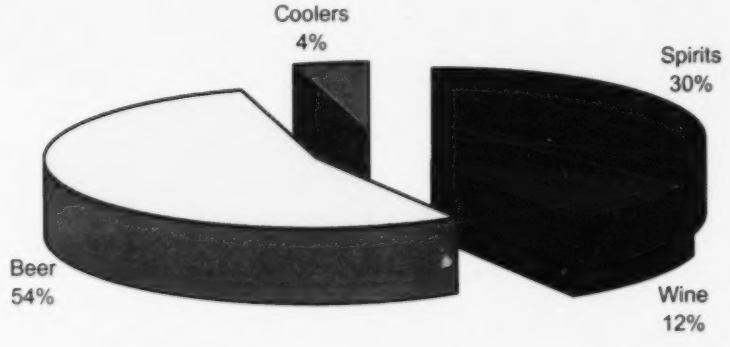
Statement of Operations for the year ended March 31, 2002

($000's)

	2002					2001
	Spirits	Wine	Beer	Coolers	Total	Total
Sales						
Consumers	413	196	584	59	1,252	1,161
Licensees	98	4	349	18	469	480
	511	200	933	77	1,721	1,641
Cost of goods sold						
Beginning inventory	38	16	26	3	83	101
Purchases	147	72	352	31	602	554
Freight	4	5	39	2	50	43
Cost of goods available for resale	189	93	417	36	735	698
Ending inventory	33	15	25	2	75	83
Cost of goods sold	156	78	392	34	660	615
Gross income	355	122	541	43	1,061	1,026
Other income					-	-
Operating expenses					186	165
Net income					$ 875	$ 861

Efficiency Ratio:						
Inventory Turns	4.39	5.03	15.37	13.60	8.35	6.68

Sales by Category



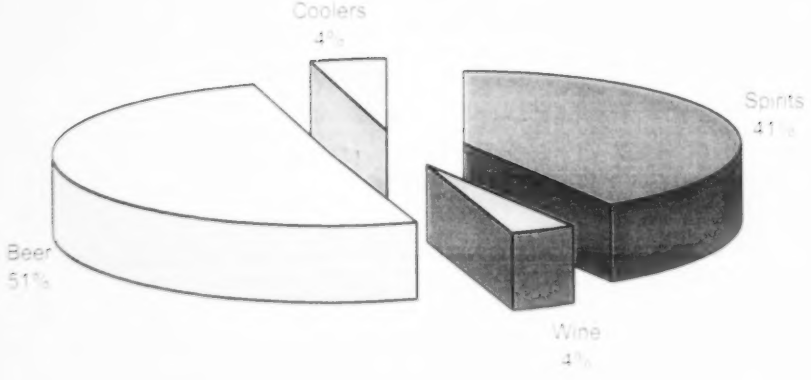
NORMAN WELLS OPERATIONS

Statement of Operations for the year ended March 31, 2002

($000's)

	2002					2001
	Spirits	Wine	Beer	Coolers	Total	Total
Sales						
Consumers	562	49	535	51	1,197	1,168
Licensees	86	13	261	19	379	397
	648	62	796	70	1,576	1,565
Cost of goods sold						
Beginning inventory	97	17	87	9	210	202
Purchases	183	26	263	26	498	485
Freight	10	3	52	5	70	74
Cost of goods available for resale	290	46	402	40	778	761
Ending inventory	100	17	92	13	222	210
Cost of goods sold	190	29	310	27	556	551
Gross income	458	33	486	43	1,020	1,014
Other income					-	-
Operating expenses					195	190
Net income					$ 825	$ 824
Efficiency Ratio:						
Inventory Turns	1.93	1.71	3.46	2.45	2.57	2.67

Sales by Category



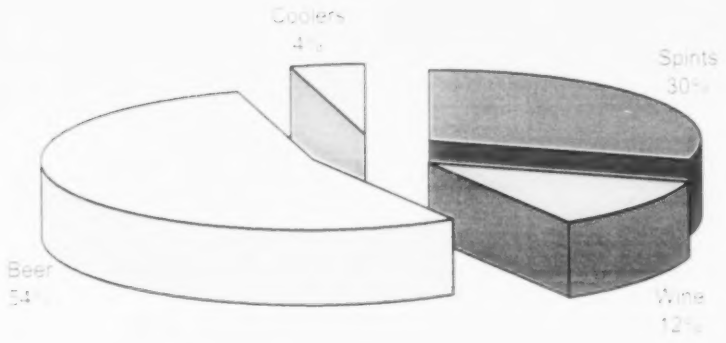
FORT SMITH OPERATIONS

Statement of Operations for the year ended March 31, 2002

($000's)

	2002					2001
	Spirits	Wine	Beer	Coolers	Total	Total
Sales						
Consumers	413	196	584	59	1,252	1,161
Licensees	98	4	349	18	469	480
	511	200	933	77	1,721	1,641
Cost of goods sold						
Beginning inventory	38	16	26	3	83	101
Purchases	147	72	352	31	602	554
Freight	4	5	39	2	50	43
Cost of goods available for resale	189	93	417	36	735	698
Ending inventory	33	15	25	2	75	83
Cost of goods sold	156	78	392	34	660	615
Gross income	355	122	541	43	1,061	1,026
Other income					-	-
Operating expenses					186	165
Net income					$ 875	$ 861
Efficiency Ratio:						
Inventory Turns	4.39	5.03	15.37	13.60	8.35	6.68

Sales by Category



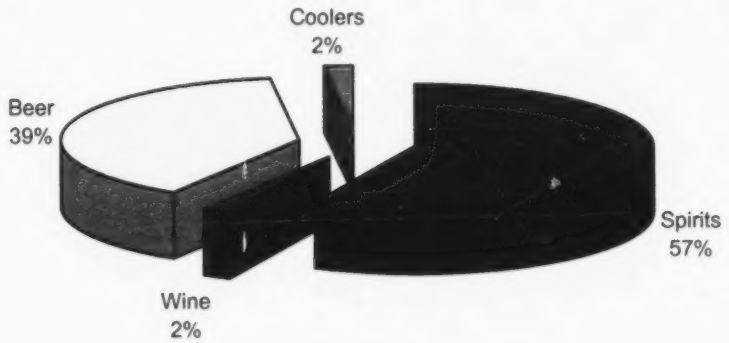
FORT SIMPSON OPERATIONS

Statement of Operations for the year ended March 31, 2002

($000's)

	2002					2001
	Spirits	Wine	Beer	Coolers	Total	Total
Sales						
Consumers	808	31	336	20	1,195	1,183
Licensees	50	1	251	11	313	329
	858	32	587	31	1,508	1,512
Cost of goods sold						
Beginning inventory	32	4	11	1	48	107
Purchases	238	11	183	10	442	414
Freight	8	1	21	1	31	24
Cost of goods available for resale	278	16	215	12	521	545
Ending inventory	29	4	8	1	42	48
Cost of goods sold	249	12	207	11	479	497
Gross income	609	20	380	20	1,029	1,015
Other income					-	-
Operating expenses					184	181
Net income					$ 845	$ 834
Efficiency Ratio:						
Inventory Turns	8.16	3.00	21.79	11.00	10.64	6.41

Sales by Category



Sales to Licensees

($000's)	Spirits	Wine	Beer	Coolers	2002	2001
Yellowknife	1,285	439	3,272	256	5,252	4,808
Inuvik	378	59	1,308	143	1,978	1,391
Hay River	215	24	1,038	52	1,329	1,145
Norman Wells	86	13	261	19	379	397
Fort Smith	98	4	349	18	469	480
Fort Simpson	50	1	251	11	313	329
Other	6	2	11		20	20
Total 2002	2,117	542	6,581	499	9,740	
Total 2001	1789	481	5962	338		8570
% Increase (Decrease)	18%	12%	10%	48%	13%	

(000's litres)	Spirits	Wine	Beer	Coolers	2002	2001
Yellowknife	38	32	754	41	865	831
Inuvik	11	4	270	20	305	224
Hay River	6	2	228	8	244	218
Norman Wells	2	1	51	3	57	60
Fort Smith	3	-	72	3	78	84
Fort Simpson	1	-	46	2	49	55
Other	2		3		5	2
Total 2002	63	39	1,424	77	1,603	
Total 2001	52	35	1,333	54		1,474
% Increase (Decrease)	17%	11%	7%	43%	9%	

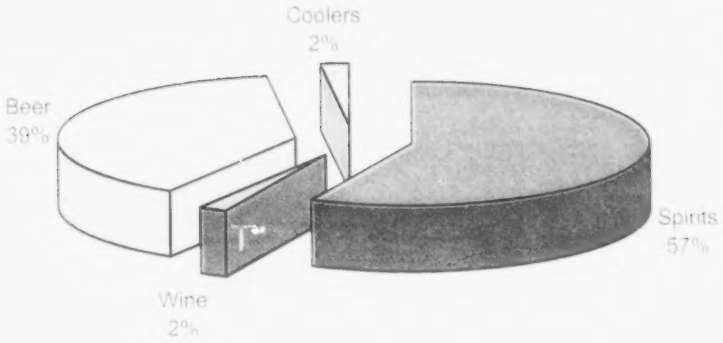
FORT SIMPSON OPERATIONS

Statement of Operations for the year ended March 31, 2002

($000's)

	2002					2001
	Spirits	Wine	Beer	Coolers	Total	Total
Sales						
Consumers	808	31	336	20	1,195	1,183
Licensees	50	1	251	11	313	329
	858	32	587	31	1,508	1,512
Cost of goods sold						
Beginning inventory	32	4	11	1	48	107
Purchases	238	11	183	10	442	414
Freight	8	1	21	1	31	24
Cost of goods available for resale	278	16	215	12	521	545
Ending inventory	29	4	8	1	42	48
Cost of goods sold	249	12	207	11	479	497
Gross income	609	20	380	20	1,029	1,015
Other income					-	-
Operating expenses					184	181
Net income					$ 845	$ 834
Efficiency Ratio:						
Inventory Turns	8.16	3.00	21.79	11.00	10.64	6.41

Sales by Category



Sales to Licensees

($000's)	Spirits	Wine	Beer	Coolers	2002	2001
Yellowknife	1,285	439	3,272	256	5,252	4,808
Inuvik	378	59	1,398	143	1,978	1,391
Hay River	215	24	1,038	52	1,329	1,145
Norman Wells	86	13	261	19	379	397
Fort Smith	98	4	349	18	469	480
Fort Simpson	50	1	251	11	313	329
Other	6	2	11		20	20
Total 2002	2,117	542	6,581	499	9,740	
Total 2001	1789	481	5962	338		8570
% Increase (Decrease)	18%	12%	10%	48%	13%	

(000's litres)	Spirits	Wine	Beer	Coolers	2002	2001
Yellowknife	38	32	754	41	865	831
Inuvik	11	4	270	20	305	224
Hay River	6	2	228	8	244	218
Norman Wells	2	1	51	3	57	60
Fort Smith	3	-	72	3	78	84
Fort Simpson	1	-	46	2	49	55
Other	2		3		5	2
Total 2002	63	39	1,424	77	1,603	
Total 2001	52	35	1,333	54		1,474
% Increase (Decrease)	17%	11%	7%	43%	9%	

Sales to Consumers

($000's)	Spirits	Wine	Beer	Coolers	2002	2001
Yellowknife	5,963	1,732	5,288	461	13,444	11,795
Inuvik	2,692	281	1,452	202	4,627	4,253
Hay River	1,343	229	1,387	137	3,096	2,948
Norman Wells	562	49	535	51	1,197	1,168
Fort Smith	413	196	584	59	1,252	1,161
Fort Simpson	808	31	336	20	1,195	1,183
Other		29			29	23
Total 2002	11,781	2,547	9,582	930	24,840	
Total 2001	10,764	2,264	8,722	781		22,531
% Increase (Decrease)	9%	11%	10%	19%	10%	

(000's litres)	Spirits	Wine	Beer	Coolers	2002	2001
Yellowknife	172	131	1,179	76	1,558	1,427
Inuvik	77	22	288	30	417	379
Hay River	40	19	305	22	386	383
Norman Wells	17	3	103	8	131	121
Fort Smith	12	17	122	9	160	153
Fort Simpson	23	2	60	2	87	92
Other		2			2	1
Total 2002	341	196	2,057	147	2,741	
Total 2001	313	177	1,935	131		2,556
% Increase (Decrease)	9%	11%	6%	13%	7%	

Sales to Consumers

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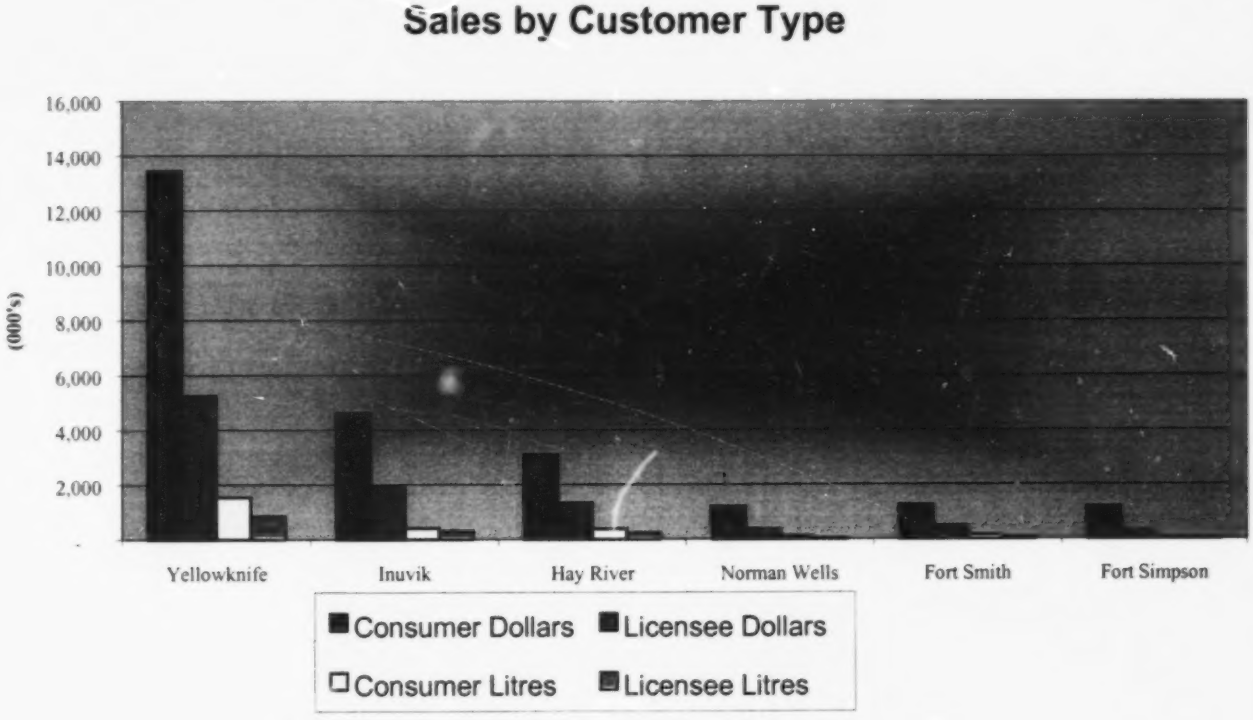
% Increase (Decrease)	9%	11%	6%	13%	7%	

Sales by Customer Type

	($000's)			(000's litres)		
	Consumer	Licensee	2002	Consumer	Licensee	2002
Yellowknife	13,444	5,252	18,696	1,558	865	2,423
Inuvik	4,627	1,978	6,605	417	305	722
Hay River	3,096	1,329	4,425	386	244	630
Norman Wells	1,197	379	1,576	131	57	188
Fort Smith	1,252	469	1,721	160	78	238
Fort Simpson	1,195	313	1,508	87	49	136
Other	29	20	20	2	5	5
Total 2002	**24,840**	**9,740**	**34,580**	**2,741**	**1,603**	**4,344**
Total 2001	**22,531**	**8,570**	**31,101**	**2,556**	**1,474**	**4,030**



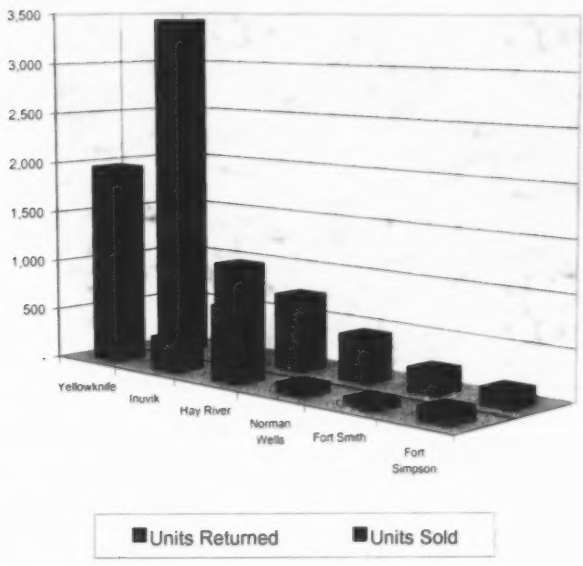
Recycle Program

Bottle Depot Operations

March 31,2002

($000's)	2002	2001
Income		
Deposits collected on sales	689	645
Increase in allowance for outstanding deposits	7	11
Total income	696	656
Expenditures		
Deposits reimbursed to agents on returns	402	447
Commissions paid to agents on returns	66	73
Amortization of recycling equipment	-	12
Accrued Liability to Agents	-	-
Total Expenditures	468	532
Surplus	228	124

Deposit Units Sold & Returned



Deposits Units Sold and Returned by Location

(000's)	Spirits		Wine		Beer		Coolers		2002		2001	
	Sales	Returns	Sales	Returns	Sales	Returns	Sales	Returns	Sales	Returns	Sales	Returns
Yellowknife	320	174	183	149	2,370	1,414	284	221	3,157	1,958	3,024	2247
Inuvik	111	30	29	14	698	182	118	89	956	315	764	339
Hay River	70	47	23	19	562	587	77	70	732	723	717	700
Norman Wells	20	2	5	2	386	78	24	7	435	89	395	96
Fort Smith	21	6	21	10	154	44	29	14	225	74	227	85
Fort Simpson	33	27	2	4	110	86	13	7	158	124	151	137
Total 2002	575	286	263	198	4,280	2,391	545	408	5,663	3,283		
Total 2001	517	332	233	248	4,110	2,482	418	542			5,278	3,604
% change	11.2%	-13.9%	12.9%	-20.2%	4.1%	-3.7%	30.4%	-24.7%	7.3%	-8.9%		

Deposits Collected and Paid by Location

($000's)	Spirits		Wine		Beer		Coolers		2002		2001	
	Collected	Paid	Collected	Paid	Collected	Paid	Collected	Paid	Collected	Paid	Collected	Paid
Yellowknife	80	44	46	37	237	141	28	22	391	244	367	286
Inuvik	28	8	7	4	69	18	11	9	115	38	97	41
Hay River	18	12	6	5	56	59	7	7	86	82	86	80
Norman Wells	5	1	2	1	39	8	2	1	48	11	44	9
Fort Smith	5	2	5	3	15	4	3	1	28	10	29	12
Fort Simpson	8	7	1	1	11	9	1	1	21	17	22	19
Total 2002	144	72	66	50	446	239	53	41	689	402		
Total 2001	131	83	59	62	412	248	43	54			645	447
% change	9.7%	-13.3%	12.3%	-19.4%	8.2%	-3.6%	23.5%	-24.4%	9.8%	-10.1%		

Ratio of Returns to Sales

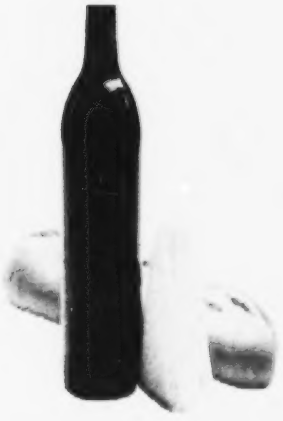
(%)	Spirits	Wine	Beer	Coolers	2002	2001
Yellowknife	54.4	81.4	59.0	77.8	62.0	74.3
Inuvik	27.0	48.3	26.1	75.4	32.9	44.4
Hay River	67.1	87.0	104.4	90.9	98.9	97.6
Norman Wells	10.0	20.0	20.2	29.2	20.2	24.3
Fort Smith	28.6	47.6	28.6	48.3	32.9	37.4
Fort Simpson	81.8	200.0	78.2	53.8	78.5	90.7
Total 2002	49.7	75.3	53.5	74.9	56.1	
Total 2001	64.2	106.4	60.4	129.7		68.3
% change	(14.5)	(31.1)	(6.9)	(54.8)	(12.2)	

Depot Fees Paid to Operations

($000's)	Spirits	Wine	Beer	Coolers	2002	2001
Yellowknife	3	3	28	4	39	45
Inuvik	1	-	4	2	6	7
Hay River	2	-	12	2	16	15
Norman Wells	-	-	2	-	2	2
Fort Smith	-	-	1	-	1	1
Fort Simpson	1	-	2	-	2	3
Total 2002	7	3	48	8	66	
Total 2001	7	5	50	11		73
% change	-5.4%	-40.4%	-4.4%	-25.5%	-10.1%	

Northwest Territories Liquor Licensing Board

Financial Results And General Statistics



Statement of Operations

March 31, 2001

($000's)	2002	2001
Income		
Licensing Fees	471	413
Special Occasion Licenses	48	47
Administration Revenue	3	21
Annual License Fees	40	41
Other	4	15
Total income	564	537
Operating Expenses		
Salaries	242	243
Travel	72	55
Inspections Contracts	51	51
Office Rent & Supplies	33	40
Honoraria	24	23
Advertising	3	5
Professional Fees	9	13
Total Expenditures	434	430
Net Income	130	107

Five Year Performance History

Year	Gross Revenue (000's)	% Change In Revenue	Net Income (000's)	% Change Net Income	Operating Expenses (000's)
1998	623	0.6	369	-17.6	254
1999	606	-2.7	172	-53.4	434
2000	504	-16.8	90	-47.7	414
2001	538	6.7	107	20.0	430
2002	564	4.8	130	20.4	434

Statement of Operations

March 31, 2001

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Income		
Licensing Fees	471	413
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MANDATE

Northwest Territories Liquor Licensing Board Members are appointed, for a two-year term, by the Minister of Finance to uphold the Liquor Act. The Board makes policies and deals with issues relating to issuing, suspending or canceling licenses and setting conditions under which liquor may be served.

The Board also serves in an administrative tribunal capacity and holds hearings into alleged violations of the legislation by the licensees. The Board may hold public hearings where an objection regarding a new liquor application has been received.

The Liquor Licensing Board has an administrative office in Hay River that deals with the day-to-day administrative functions for licensing, enforcement, and community options. The Board provides a toll-free number for licensees and communities to call for assistance, when required.

MISSION STATEMENT

The mission of the Liquor Licensing Board is to foster an environment that guides and regulates the responsible and legal use of alcohol.

BOARD MEMBERS (as of MARCH 31, 2002)

Chairperson	Eric Malmsten	Yellowknife
Members	Ms. Elizabeth Danielsen	Norman Wells
	Mr. Albert Monchuk	Fort Smith
	Mr. John Simpson	Yellowknife
	Mr. Ross Ullathorne	Hay River
	Mr. Barry Greenland	Inuvik

BOARD MEETINGS

The Board holds its meetings in conjunction with Show Cause Hearings when possible, otherwise the meetings are held via teleconferencing. During the 2001/2002 fiscal year, the Board held six meetings through teleconferencing; three meetings were held in Yellowknife and one was held in Hay River. Unless the Board deems otherwise, all meetings, including Show Cause Hearings, are open to the public.

LICENSES GRANTED/EXPIRED

In 2001 - 2002, the Board granted six new licenses: two Cocktail Lounges, one Off Premise, one Private Recreational Facility and two Guest Rooms. Twelve transfer applications were approved: six Dining Rooms, five Cocktail Lounges and one Off Premise license.

CLASS OF LICENSES

There are 142 liquor licenses in the Northwest Territories that fall under one of several possible classes of license. Each class has its own distinct rules to operate under as well as following the rules and regulations of the Liquor Act, Regulations and Board Policy that apply to all licensed premises.

The following table indicates the classes and numbers of licenses in various communities along with the number of inspections that are carried out by Liquor Inspectors and the RCMP.

	Class								Inspections per community			
Community	Cocktail Lounges	Dining Rooms	Club Rooms	Canteens	Cultural and Sports	Private Recreational Facility	Off Premises	Ships	2001/2002 Inspector	2001/2002 RCMP	2000/2001 Inspector	2000/2001 RCMP
Fort Providence	3	3	-	-	-	-	3	-	7	200	2	312
Fort Simpson	2	3	1	-	-	-	1	-	3	638	53	624
Fort Smith	4	2	3	-	-	-	2	-	98	700	108	200
Hay River	6	5	3	2	-	1	-	-	166	700	174	680
*Inuvik	7	6	2	2	-	-	3	-	331	2,500	175	650
Norman Wells	3	3	2	-	-	-	-	-	81	663	103	212
*Yellowknife	19	24	4	3	1	2	1	2	1,096	500	1,121	4,200
	44	46	15	7	1	3	10	2	1,782	5,901	1,736	6,878

In addition to the above there are three aircraft licenses and eleven licensed guestrooms/lodges located in various locations across the Northwest Territories.

INSPECTION OF LICENSED PREMISES

Liquor Inspectors are hired on a contractual basis to carry out unscheduled routine inspections of licensed premises. There are three inspectors in Yellowknife and one in each of the following communities; Hay River, Fort Smith, Norman Wells and Inuvik. The inspection program carried out by Liquor Enforcement targets high-risk premises (those most likely to offend) with more inspections than those that are considered low-risk (such as dining rooms.) The inspection program strives for voluntary compliance through regular spot checks, training courses, on-site visits and newsletters.

*The RCMP routinely conducts a walkthrough program. Police officers inspect licensed premises on a regular basis as part of their routine patrol. Although the RCMP make their presence known in all licensed premises in the NWT, not all of the walkthroughs are reported. The RCMP do report violations found during their walkthroughs.

Licensees may be taken to a Show Cause Hearing as a result of infractions reported by either a Liquor Inspector or the RCMP.

LICENSEE TRAINING/ INFORMATION

A Server Training seminar is offered free of charge to licensed premises and holders of special occasion permits across the Northwest Territories. During 2001/2002, 37 licensed premises (including special occasion permit holders) have attended the Server Training Seminar.

In addition to the Server Training Seminar all license holders and permit holders are provided with a quarterly newsletter and on-going information letters as an educational tool to enhance the licensees' knowledge on the Liquor Act, Regulations and Board Policy.

SHOW CAUSE HEARINGS/ BOARD DECISIONS

The following table represents the decisions of the Board where licensees were invited to show cause as to why their liquor license should not be cancelled, suspended or have a lesser penalty applied as the circumstances require due to reported infractions.

Suspensions and fines vary depending on the specifics of each case.

Date	License holder	Violation	Disposition
November 23, 2001	Right Spot Bar & Grill Yellowknife	Allowing minors on the licensed premise.	The Liquor License was suspended for three days.
September 27, 2001	Dynasty Lounge Hay River	Allowing minors on the licensed premise and allowing drunkenness.	The Licensee was ordered to pay a $3,000 fine.
April 26, 2001	Ravens Pub Yellowknife	Allowing minors on the licensed premise.	The Liquor License was suspended for two days.
April 26, 2001	After 8 Neighbourhood Pub Yellowknife	Allowing minors on the licensed premise.	The Licensee was ordered to pay a $500 fine.
April 26, 2001	Gallery Neighbourhood Pub Yellowknife	Allowing minors on the licensed premise.	The Liquor License was suspended for seven days.

SPECIAL OCCASION PERMITS

There are two classes of Special Occasion Permits (resale and ordinary). A resale permit allows a non-commercial organization, a recognized group or holders of a private recreational facility to take out a liquor permit. An ordinary permit allows a private individual to take out a permit to serve alcohol in a public setting. Permits are issued in several communities across the NWT. Privately owned companies and Hamlets provide this service through contract with the Department of Finance.

Special Occasion Permits were issued in the following communities:

	Permits Issued			
	2001/2002		2000/2001	
Community	Resale	Ordinary	Resale	Ordinary
Hay River	96	22	90	25
Yellowknife	105	119	98	123
Fort Simpson	21	5	42	5
Fort Smith	37	11	45	7
Inuvik	29	6	33	3
Norman Wells	29	14	19	13
Holman	Nil	6	Nil	3
Fort Liard	1	Nil	3	Nil
	318	183	330	179

Communities that are not prohibited may obtain permits from the local issuer in their community or call the Hay River office for assistance.

COMMUNITY STATUS

The communities in the NWT have options available to them regarding their liquor status. Communities in the NWT are classed as either:

- Unrestricted: There are no restrictions beyond those that are described in the Liquor Act and Regulations.
- Restricted: The restriction may limit the quantity and/ or frequency of alcohol brought into a community; limit the quantity and hours of sale at a liquor store or require individuals to seek prior approval from a community alcohol education committee to bring a limited amount of alcohol into a community.
- Prohibited: Alcohol is prohibited.

Unrestricted Communities

Aklavik	Colville Lake	Enterprise
Fort McPherson	Fort Resolution	Fort Providence *
Fort Smith *	Hay River *	Holman
Inuvik *	Jean Marie River	Paulatuk
Sachs Harbour	Trout Lake	Tuktoyaktuk
Tulita	Wrigley	Yellowknife *

* These communities have licensed premises and a liquor store/ liquor warehouse.

Restricted Communities

Dettah	Fort Simpson **	Norman Wells **
Deline	Fort Liard ***	
Rae-Edzo	Fort Good Hope	

** Fort Simpson and Norman Wells have licensed premises and liquor stores. The restriction applies to the amount of alcohol the store may sell to an individual on a given day and/ or the hours of operation that the store may operate.

*** Fort Liard is restricted in the amount of alcohol a person can bring into the community, the restriction does not apply where the liquor is consumed at community dances sponsored by the Municipal Council or Band Council.

Prohibited Communities

Nahanni Butte	Snare Lakes	Tsiigehtchic
Wha Ti	Rae Lakes	Lutsel K'e

COMMUNITY OPTIONS

Where a special occasion is to occur in a municipality, settlement or area and the council of the municipality, settlement or band wishes to have the consumption, purchase, sale, or transport or liquor prohibited, they may request the Minister Responsible for the Liquor Act to declare the area prohibited during the event. The request must be submitted to the Minister 15 days prior to the event. The Minister may then declare the area prohibited for a period not exceeding 10 days.

The following communities requested and were granted Special Prohibition Orders during the 2001/ 2002 fiscal year:

Community	Event	Duration
Sachs Harbour	White Fox Jamboree	May 03 – 07, 2001
Holman	Kingalik Jamboree	June 10 – 17, 2001
Kakisa	Deh Cho Assembly	June 25 – 29, 2001
Dettah	Annual General Assembly	July 03 – 07, 2001
Tulita	Dene National Assembly	July 05 – 14, 2001
Wrigley	First Nation's Gathering	July 26 – 29, 2001
Paulatuk	Ikhalukpik Jamboree	August 07 – 14, 2001

LIQUOR PLEBISCITE

A community may change their existing liquor status by having 20 qualified voters petition the Minister responsible for the Liquor Act to hold a liquor plebiscite. Before a change can be made to the community's liquor status sixty percent of the votes cast must be in favor of the change.